

**WINTHROP UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
ROCK HILL, SOUTH CAROLINA**

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**Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
June 30, 2019**



**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
For the Year Ended June 30, 2019

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Independent Accountants' Report On  
Applying Agreed-Upon Procedures

Dr. Daniel F. Mahony, President  
Winthrop University  
114 Tillman Hall  
Rock Hill, South Carolina 29733

We have audited the financial statements of Winthrop University as of and for the year ended June 30, 2019, and have issued our unmodified opinion thereon under the date of October 1, 2019. At your request, we have also performed the procedures described below which were agreed to by the Board of Trustees and management of Winthrop University, solely to assist these users in evaluating whether the accompanying Statement of Revenues, Expenditures and Transfers of Winthrop University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.15 for the fiscal year ended June 30, 2019. The Statement of Revenues, Expenditures and Transfers of Winthrop University Intercollegiate Athletics Program and related note disclosures was not audited or reviewed by us. Management is responsible for Winthrop University's compliance with the requirements of NCAA Bylaw 3.2.4.15, the Intercollegiate Athletics Program's financial records, internal controls and compliance with applicable laws, rules and regulations. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Procedures Related to the Statement of Revenues, Expenditures and Transfers**

1. We obtained the Statement of Revenues, Expenditures and Transfers of Winthrop University Intercollegiate Athletics Program and related note disclosures for the year ended June 30, 2019, as prepared by accounting management of the University and shown on page 11 in this report. We recalculated the mathematical accuracy of the amounts on the statement, traced the individual line item amounts from the statement to management's worksheets and compared the amounts on management's worksheets to the accounts in the University's general ledger.

Winthrop University  
Intercollegiate Athletics Program

2. We compared each major revenue and expense accounts in the Statement of Revenues, Expenditures and Transfers to prior period amounts. We obtained and documented our understanding of any significant variations. If a specific reporting category total (specific line items of revenues and expenses) is less than 4.0% of the total revenues or total expenses, no procedures were performed for that specific category.
- We compared each major revenue and expense account over 10% of the total revenues and total expenditures to prior period amounts. We obtained and documented our understanding of any variations over 10%. We obtained the following explanations from the University's athletic management regarding the reasons for the variances.

| REVENUES     | 2019         | 2018         | % Change |
|--------------|--------------|--------------|----------|
| Student Fees | \$ 5,373,373 | 6,203,889.00 | -15.46%  |

**Student Fees Decreased (15.46%)**

*Student Activity fees declined due to decreased enrollment in fiscal year 2019.*

We found no exceptions as a result of this procedure.

3. We inquired of management the specific elements of the University's internal control unique to the Intercollegiate Athletics Program's accounting system and financial reporting.

We found no exceptions as a result of this procedure.

## Receipts

- We compared and agreed a sample of operating revenue receipts obtained from the revenues general ledger to adequate supporting documentation. The sample of the individual receipts selected for comparison is as follows:

| Doc #    | Description                         | Transaction Date | Amount      |
|----------|-------------------------------------|------------------|-------------|
| DP000954 | MBB Season Tickets                  | 8/29/2018        | \$ 6,982.50 |
| DP001050 | mbb tkt ret pymt for webcharges and | 6/13/2019        | \$ 2,844.44 |
| DP001019 | mbb vs charleston so                | 2/27/2019        | \$ 471.00   |
| DP001011 | mbb vs radford                      | 2/6/2019         | \$ 148.00   |
| DP000999 | MBA                                 | 1/4/2019         | \$ 30.00    |
| DP000975 | WSoc vs Charleston Southern         | 10/23/2018       | \$ 10.00    |
| DP001051 | mba USC game guarantee              | 6/19/2019        | \$ 1,000.00 |
| DP001041 | winthrop twilight entry fees for Pa | 5/8/2019         | \$ 120.00   |
| DP000967 | Davidson Entry Fee                  | 10/5/2018        | \$ 325.00   |
| DP001055 | inv 631 wingate by wyndham          | 6/26/2019        | \$ 833.33   |
| DP001029 | inv 594 hartlands bar               | 4/2/2019         | \$ 2,500.00 |
| DP001011 | bookkeepers plus inv 545            | 2/6/2019         | \$ 325.00   |
| DP000988 | FY19 SPONSORSHIP HAMPTON INN ROCK H | 11/29/2018       | \$ 1,750.00 |
| DP000969 | Follett Advanced Online Shop        | 10/10/2018       | \$ 85.59    |
| DP000950 | Junior Eagle Club Membership        | 8/16/2018        | \$ 25.00    |
| J0030466 | KK fx FOAP DP995 tshirt fundraiser  | 6/17/2019        | \$ 72.50    |
| DP001022 | wbb vs campbell                     | 3/8/2019         | \$ 329.00   |
| DP000999 | Poh Cheah Wilson donation           | 1/4/2019         | \$ 25.00    |
| DP000967 | Team Parkas Donation                | 10/5/2018        | \$ 1,560.00 |
| DP000948 | Background Checks for Wsoc Camp     | 8/11/2018        | \$ 28.05    |
| J0030959 | KT EOY 19 GIK Best Blanchard Mach   | 8/8/2019         | \$ 3,800.00 |
| J0029235 | KK fix FOAP J0029228 Women's Soccer | 1/16/2019        | \$ 1,500.00 |
| DP000951 | Volleyball Donations                | 8/22/2018        | \$ 1,010.00 |
| DP000951 | Putt Girls                          | 8/22/2018        | \$ 75.00    |
| J0030531 | KK fxAcctDP1012 baseball season tkt | 6/26/2019        | \$ 150.00   |

We found no exceptions as a result of this procedure.

## **REVENUES**

### **Student Fees**

1. We compared and agreed the student fees reported by the University in the statement for the reporting period to student enrollments during the same reporting period and recalculate the totals.

We found no exceptions as a result of this procedure.

2. We obtained and documented our understanding of the University's methodology for allocating student fees to intercollegiate athletics programs.

We found no exceptions as a result of this procedure.

3. We recalculated the totals of the University's methodology for supporting that they are able to count each sport. We will tie the calculation to supporting documentation

We found no exceptions as a result of this procedure.

### **Direct Institutional Support**

1. We compared the direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated the totals.

We found no exceptions as a result of this procedure.

### **Indirect Institutional Support**

1. We compared the indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculated the totals.

We found no exceptions as a result of this procedure.

### **Contributions**

1. We obtained and reviewed any supporting documentation and recalculate the totals for any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods

We found no exceptions as a result of this procedure.

### **NCAA Distribution**

1. We compared the amounts recorded in the revenue and expense reporting to the general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated the totals.

We found no exceptions as a result of this procedure.

## **EXPENSES**

### **Athletic Student Aid**

1. We obtained a listing from the University detailing institutional student aid recipients for the year. We selected a sample of 25 students (10% of the total student-athletes).
2. We obtained the individual student account detail for each selection and compared the total aid allocated from the related aid award letter to the student's account detail.
3. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's Compliance Assistant (CA) software using the following criteria:
  - a. The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator.
  - b. Grant-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate.
  - c. Other expenses related to attendance should not be included in the grants-in-aid revenue distribution equivalencies.
  - d. Full grant amount should be entered as full year of tuition, not a semester or quarter.
  - e. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
  - f. Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championship competition, emerging sports for women and bowl subdivision football.
  - g. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contest and participants' component.
  - h. Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth year)" or "Medical" receive credit in the grants-in-aid component.
  - i. The athletic aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed minimum equivalency limits due to exhausted eligibility and medical equivalencies.
  - j. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student athlete aid for revenue distribution purposes.
  - k. All equivalency calculations should be rounded to two decimal places.



**EXPENSES**, continued

- I. If a selected student received a PELL Grant, we verified that the student's grant was not included in the calculation of equivalencies or the total dollar amount of student athletic and expense for the institution.
    - m. If a selected student received a PELL Grant, we verified that the student's grant was included in the total number of and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.
  4. We recalculated the totals for each sport and overall.

Exception:

1. In our sample of 25 student athletes, we found one instance where the students full grant amount was not accurately reported causing the Revenue Distribution Equivalency Report to be incorrectly calculated.

**Management's Response:**

*The student's waiver was not properly reported on the squad list, therefore it was not properly reported on the Revenue Distribution Report. In the future, each party involved in financial aid disbursement and squad list totals will be required to double check reporting of Pell Grants on the squad list.*

**Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

1. We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. We selected a sample of coaches' contracts from the listing. We ensured that our sample includes coaches' from men's and women's basketball.
2. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the statement during the reporting period.
3. We obtained and inspected payroll summary registers for the reporting year for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period.
4. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and we recalculated the totals.

We found no exceptions as a result of these procedures.

**EXPENSES**, continued

**Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

1. We obtained a listing of support staff/administrative salaries, benefits and bonuses paid by the University and related entities for the year ended. From the listing, we selected a sample of support staff/administrative personnel.
2. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed the related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the University in the statement during the reporting period and we recalculated the totals.

We found no exceptions as a result of these procedures.

**Disbursements**

1. We obtained the general ledger accounts for recruiting expense, team travel expense, equipment, uniform and supplies, game expense, medical expense, and other operating expense. We compared the total expense reported to the statement.
2. We selected a sample of transactions (see below) to validate the existence of the transactions and the accuracy of recording and recalculated the totals.
3. We obtained and documented our understanding of the University's team travel policies. We compared the existing University and NCAA related policies to determine if they were in agreement.
4. For the selected expenses, we obtained the related disbursement package to determine the items required by University's procurement policy were included and that the expense had been authorized in accordance with the University's policy.

**EXPENSES**, continued

The sample of the individual disbursement selected for testing is as follows:

| Document Number | Date       | Vendor/Payee                        | Amount      |
|-----------------|------------|-------------------------------------|-------------|
| I1901214        | 8/28/2018  | Carvalho, Alcides S.                | \$ 3,000.00 |
| I1906486        | 2/25/2019  | Rogers, Drake                       | \$ 189.88   |
| I1908562        | 4/30/2019  | Freesman, Zachary M.                | \$ 190.59   |
| I1902438        | 10/10/2018 | Winthrop University Cashiers Office | \$ 50.00    |
| I1902210        | 10/3/2018  | Kloman, Edward Brian.               | \$ 27.70    |
| F0016873        | 11/14/2018 | NCAA Spec Assist Fund Student       | \$ 250.00   |
| PF000159        | 11/15/2018 | PCS1238-1007-ATT DATA               | \$ 30.00    |
| I1903514        | 11/12/2018 | Oliver Eye Associates               | \$ 586.00   |
| I1907821        | 4/5/2019   | Cunningham, Jimmy                   | \$ 125.00   |
| I1905729        | 1/28/2019  | Event Partners LLC                  | \$ 252.00   |
| I1900947        | 8/15/2018  | Big South Conference                | \$ 9,895.00 |
| I1905173        | 1/9/2019   | Hill, Mitchell Kaleb.               | \$ 54.16    |
| I1901902        | 9/24/2018  | K-Mart Corporation                  | \$ 5.64     |
| I1906027        | 2/7/2019   | Harwood, Erin                       | \$ 54.03    |
| I1905684        | 1/25/2019  | Adidas America Inc                  | \$ 27.07    |
| I1903006        | 10/25/2018 | Adidas America Inc                  | \$ 904.31   |
| I1901421        | 9/5/2018   | Adidas America Inc                  | \$ 625.11   |
| I1904228        | 12/4/2018  | Murad, Alya                         | \$ 58.00    |
| J0027939        | 7/24/2018  | KK REV EOY AR KM McKee Golf Club    | \$ 662.87   |
| I1902911        | 10/23/2018 | American Honda Finance Corp         | \$ 344.34   |
| I1909729        | 6/12/2019  | Riginos, Thomas Anthony.            | \$ 217.06   |
| I1907135        | 3/14/2019  | Academy Bus LLC                     | \$ 800.00   |
| I1905715        | 1/28/2019  | Riginos, Thomas Anthony.            | \$ 500.00   |
| I1904899        | 1/3/2019   | Hill, Mitchell Kaleb.               | \$ 500.00   |
| I1902821        | 10/19/2018 | Ready, Jena                         | \$ 250.00   |

We found no exceptions as a result of these procedures.

**Team Travel**

1. We obtained documentation of the University's team travel policies.
2. We compared and agreed the existing institutional- and NCAA-related policies.
3. We obtained the general ledger detail and compared to the total expenses reported and recalculated the totals.

We found no exceptions as a result of these procedures.

**EXPENSES**, continued

**Game Expenses**

1. We obtained the general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate the existence of transactions and the accuracy of recording and we recalculated the totals.

We found no exceptions as a result of these procedures.

**Indirect Institutional Support**

1. We tested Indirect Institutional Support with the revenue section- Indirect Institutional Support.

We found no exceptions as a result of these procedures.

**Outside Organizations**

1. We obtained from management a list of all outside organizations not under the University's accounting control that have as its principal or one of its principal purposes is generating resources for or on behalf of the University's Intercollegiate Athletics Program or the promotion of the program. We obtained a copy of the outside organization's audited financial statements.
2. We compared the amount received from this outside organization to the amount recorded in the general ledger and on the statement.

We found no exceptions as a result of these procedures.

**ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**

In order for NCAA to place reliance on the financial reporting for NCAA distribution purposes, we performed the following procedures:

1. For Grant-in-Aid: We compared the sports sponsored reported in the NCAA membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistance (CA) or equivalent supporting equivalency calculation from the institution. The NCAA membership Financial Reporting System populated the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or equivalent supporting equivalency calculation, we inquired about the discrepancy and report the justification in the AUP report.

We compared current year Grant-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 4%.

**ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**, continued

2. For Sport Sponsorship: We obtained the Institution's Sport Sponsorship and Demographics Form Report for the reposting year. We validated that the countable sports reported by the institution meet the minimum requirements set forth by Law 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. Post season contest are not countable toward the contest requirements. Once countable sports were validated, we ensured that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Reporting System. If applicable, any discrepancies were resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA.

We compared current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. No variances were noted.

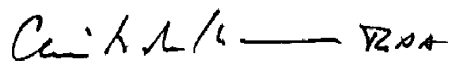
3. For Pell Grants: We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institutions financial aid records, of all student-athletes Pell Grants.

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission. There were no variances greater than +/- 20 grants.

We found no exceptions as a result of these procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with NCAA Bylaw 3.2.4.15 or the expression of an opinion on The Statement of Revenues, Expenditures and Transfers of the Intercollegiate Athletics Program of Winthrop University for the year ended June 30, 2019, and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations. Therefore, we express no opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees and management of Winthrop University and is not intended to be and should not be used by anyone other than these specified parties.



January 7, 2020  
Gaffney, SC

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Statement of Revenues, Expenditures and Transfers  
For the Year Ended June 30, 2019  
(Unaudited)

| <b>REVENUES</b>   | Men's<br>Basketball | Women's<br>Basketball | Other<br>Sports  | Nonprogram<br>Specific | Total                |
|---|---------------------|-----------------------|------------------|------------------------|----------------------|
| Ticket Sales  | \$ 94,367           | 5,133                 | 13,766           | -                      | \$ 113,266           |
| Direct State or Other Government Support                | -                   | -                     | -                | -                      | -                    |
| Student Fees  | 767,691             | 472,280               | 2,185,260        | 1,948,142              | 5,373,373            |
| Direct Institutional Support                            | 378,597             | 365,405               | 2,070,768        | 264,259                | 3,079,029            |
| Less-Transfers to Institution                           | (12,436)            | (7,970)               | (239,594)        | -                      | (260,000)            |
| Indirect Institutional                                  | 287,260             | 124,796               | 707,881          | 168,512                | 1,288,449            |
| Indirect Institutional-Athletic Facilities Debt Service | -                   | -                     | -                | 136,524                | 136,524              |
| Guarantees  | 325,000             | 57,000                | 15,000           | -                      | 397,000              |
| Contributions   | 96,007              | 3,847                 | 101,034          | 675,471                | 876,359              |
| In-Kind   | -                   | -                     | -                | 495,373                | 495,373              |
| Compensation and Benefits Provided by a Third Party     | -                   | -                     | -                | -                      | -                    |
| Media Rights  | -                   | -                     | -                | -                      | -                    |
| NCAA Distributions                                      | -                   | -                     | -                | 807,103                | 807,103              |
| Conference Distributions                                | -                   | -                     | -                | -                      | -                    |
| Program, Novelty, Parking, and Concession Sales         | -                   | -                     | -                | 58,385                 | 58,385               |
| Royalties, Licensing, Advertisements and Sponsorships   | -                   | -                     | -                | 373,832                | 373,832              |
| Camp Revenues   | -                   | -                     | -                | 895                    | 895                  |
| Athletics Restricted Endowment and Investment Income    | -                   | -                     | -                | -                      | -                    |
| Other Revenues  | -                   | 4,417                 | 48,585           | 41,277                 | 94,279               |
| <b>Total Revenues</b>                                   | <b>\$ 1,936,486</b> | <b>1,024,908</b>      | <b>4,902,700</b> | <b>4,969,773</b>       | <b>\$ 12,833,867</b> |

| <b>EXPENDITURES</b>   | Men's<br>Basketball | Women's<br>Basketball | Other<br>Sports  | Nonprogram<br>Specific | Total                |
|---|---------------------|-----------------------|------------------|------------------------|----------------------|
| Athletic Student Aid  | \$ 579,631          | 586,993               | 3,058,216        | 188,686                | 4,413,526            |
| Guarantees  | 49,500              | 1,200                 | 9,851            | -                      | 60,551               |
| Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities                    | 664,685             | 336,687               | 1,430,405        | -                      | 2,431,777            |
| Coaching Other Compensation and Benefits Paid by a Third Party  | -                   | -                     | -                | -                      | -                    |
| Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities | 74,130              | 105,600               | -                | 2,178,748              | 2,358,478            |
| Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party                      | -                   | -                     | -                | -                      | -                    |
| Severance Payments  | -                   | -                     | -                | -                      | -                    |
| Recruiting  | 149,068             | 15,514                | 61,418           | -                      | 226,000              |
| Team Travel   | 143,741             | 70,850                | 540,430          | 7,089                  | 762,110              |
| Equipment, Uniforms and Supplies  | 36,057              | 18,459                | 248,116          | 60,065                 | 362,697              |
| Game Expenses   | 28,445              | 7,268                 | 121,533          | 747,724                | 904,970              |
| Fund Raising, Marketing and Promotion   | -                   | -                     | 49               | 12,968                 | 13,017               |
| Sports Camp Expenses  | -                   | -                     | -                | -                      | -                    |
| Spirit Groups   | -                   | -                     | -                | 13,623                 | 13,623               |
| Athletic Facilities Debt Services, Lease and Rental Fee   | -                   | -                     | -                | 136,524                | 136,524              |
| Direct Overhead and Administrative Expenses   | -                   | -                     | -                | -                      | -                    |
| Indirect Institutional Support  | 287,260             | 124,796               | 707,881          | 168,512                | 1,288,449            |
| Medical Expenses  | 2,375               | 44                    | 1,539            | 303,701                | 307,659              |
| Membership Dues   | 51,995              | 30,336                | 6,353            | 42,872                 | 131,556              |
| Student-Athlete Meals (non-travel)  | 14,947              | 2,283                 | 8,231            | 16,839                 | 42,300               |
| Other Operating Expenses  | 80,133              | 21,782                | 51,313           | 193,373                | 346,601              |
| <b>Total Operating Expenses</b>   | <b>\$ 2,161,967</b> | <b>1,321,812</b>      | <b>6,245,335</b> | <b>4,070,724</b>       | <b>\$ 13,799,838</b> |

|                                  |              |           |             |         |              |
|----------------------------------|--------------|-----------|-------------|---------|--------------|
| Excess (Deficiencies) of Revenue |              |           |             |         |              |
| Over (Under) Expenses            | \$ (225,481) | (296,904) | (1,342,635) | 899,049 | \$ (965,971) |

SEE ACCOMPANYING NOTES TO STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2019  
(Unaudited)

**NOTE 1-CONTRIBUTIONS**

Contributions and gifts to Winthrop University's Intercollegiate Athletics Program totaled \$1,371,732. This amount is reported in the Statement of Revenues, Expenses and Transfers with the following captions:

|               |                     |
|---------------|---------------------|
| Contributions | \$ 876,359          |
| In-Kind Gifts | 495,373             |
|               | <u>\$ 1,371,732</u> |

Individual contributions which exceeded 10 percent of the total contributions and the related donors included in the above amounts are as follows:

|                     |                |
|---------------------|----------------|
| Winthrop Foundation | <u>876,359</u> |
|                     | <u>876,359</u> |

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS**

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Winthrop University follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expense in the year in which the expense was incurred. The total estimated book value of plant and equipment, net of depreciation, for Athletics is \$9,351,918 compared to the institution total of \$96,857,735.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The University has selected a useful life of 25 to 50 years for buildings, renovations and land improvements. The useful life for machinery, equipment and vehicles varies between 2 and 25 years depending on the asset. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2019  
(Unaudited)

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS**, Continued

Interest cost incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. During the year ended June 30, 2019, there were no material capitalized interest costs incurred.

Fiscal Year 2019 Additions by Sport:

| <u>Athletic Facilities</u> | <u>Basketball</u> | <u>Other</u> | <u>Total</u> |
|----------------------------|-------------------|--------------|--------------|
| Additions                  | \$ -              | -            | -            |
| Deletions                  | -                 | 10,473       | 10,473       |

**NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT**

**Intercollegiate Athletics Debt**

Annual Maturities

|       |                   |
|-------|-------------------|
|       | 2001              |
|       | Ath Fac           |
|       | <u>Rev Bonds</u>  |
| 2020  | 131,016           |
| 2021  | <u>125,508</u>    |
| Total | <u>\$ 256,524</u> |